

**COMMONWEALTH OF MASSACHUSETTS
BEFORE THE
DEPARTMENT OF TELECOMMUNICATIONS AND ENERGY
AND THE
ENERGY FACILITIES SITING BOARD**

)	
Investigation by the Department of)	
Telecommunications and Energy and)	EFSB 98-5/D.T.E. 98-84
Energy Facilities Siting Board)	
)	

**COMMENTS OF THE
WESTERN MASSACHUSETTS ELECTRIC COMPANY**

Western Massachusetts Electric Company ("WMECO" or "Company") appreciates the opportunity to comment on the Notices of Inquiry issued by the Department of Telecommunications and Energy ("Department") and the Energy Facilities Siting Board ("Board") initiating an investigation into (1) rescinding 220 CMR sec. 10.00 *et seq.*, and (2) exempting electric companies from any or all of the provisions of G.L. c. 164, sec. 69I. Further, the Company commends the Department and the Board for taking steps to change regulatory requirements that are no longer appropriate given the introduction of competition in electricity generation and retail choice of electricity supplier.

Integrated Resource Planning

The Department and the Board have first proposed to rescind 220 CMR 10.00 *et seq.* WMECO supports this change. The Integrated Resource Planning ("IRP") rules set forth in 220 CMR 10.00 *et seq.* establish a comprehensive framework governing the planning, procurement and cost recovery associated with delivering the resources needed to meet electric customers' needs. As the Department indicates in its Order of Notice, however, under restructuring electric

companies will no longer be in the position to plan for its distribution customers' electricity needs. Instead, the electric industry will feature a competitive generation market driven by customer choice among providers of generation services (Notice, p. 2). Accordingly, the Department's role under restructuring has shifted dramatically from reviewing planning, procurement and cost recovery issues to assuring full and fair competition.

Given this shift, 220 CMR 10.00 *et seq.* represent the rules for a regulatory system which is no longer in place. As proposed by the Department and the Board, these rules should be rescinded as soon as possible.

General Laws c. 164, sec. 69I, Forecasting Requirement

As recognized by the Department and the Board, should the IRP rules be rescinded and no other action taken, electric companies would have an obligation to file biennial long-range forecasts and supply plans for the Department's review pursuant to the requirements of G.L. c. 164, sec. 69I. However, for the same reason the IRP rules no longer make sense, it would serve no useful purpose to require electric companies to file supply plans when generation is a competitive sector and customers have choice of generation supplier. The Electric Industry Restructuring Act, Chapter 164 of the Acts of 1997, recognized this inconsistency with G.L. c. 164, sec. 69I, and allows the Department and Board to exempt electric companies from the provisions of sec. 69I. The Department and Board have proposed such an exemption and WMECO strongly supports this action. As discussed below, however, WMECO recognizes that even in a restructured environment it will be appropriate for the electric companies to provide a forecast to the Department and the Board relating to transmission.

In place of the broad filing requirements of sec. 69I, the Department and Board wish to adopt narrower requirements for elements previously encompassed by sec. 69I that remain

appropriate for the Department's review in a restructured industry. The Department has identified four elements that remain appropriately subject to the Department and/or the Board's review. Notice, p. 3. However, the Department and/or Board will obtain needed information for two of the four elements from other sources and the restructuring statute resolves an additional element. The one element that remains, then, is in connection with transmission constraints. The Department focuses on obtaining advance notification of transmission constraints (Notice, p. 3), while the Board is also concerned with the type of transmission related information that should be filed with a proposal to construct a transmission facility pursuant to G.L. c. 164, sec. 69J.

In order to determine how to proceed in this area, the Department and Board seek comments on five questions. The questions and WMECO's responses follow.

Question 1. Will information generally available from ISO/New England be sufficient to allow the Department to report to the General Court, pursuant to G.L. c. 164, sec. 69I, on "the reliability and diversity of electric power?" If not, what other information will the Department need to collect, and how should it be collected?

Answer. Yes, information should be available from ISO New England. Information should be available from the Capacity, Energy, Loads and Transmission ("CELT") process, which WMECO understands will continue. In addition, the Federal Energy Regulatory Commission ("FERC") has obligated ISO New England to study long-range transmission planning. In FERC's "Order Conditionally Authorizing Establishment of an Independent System Operator and Disposition of Control over Jurisdictional Facilities", the agency conditioned approval of ISO New England on ISO New England's agreement to review the long-range system assessment and transmission construction plans of NEPOOL participants. Docket No. EC97-35-000 (June 25, 1997), p. 30. In addition to the information available from ISO New England, it is possible that the Department may wish to obtain other information on reliability and

diversity from energy suppliers.

Question 2. What changes need to be made to Administrative Bulletin 78-2 in order to: (1) focus it on developing transmission needs, rather than supply needs; and (2) ensure that the Department is aware of emerging inter-utility and inter-state transmission needs?

Answer. WMECO believes that it would be appropriate to require data on transmission and load consistent with that contained in two reports recently submitted by WMECO's affiliate, Public Service of New Hampshire (PSNH), to the New Hampshire Public Utility Commission. These reports are attached. The first PSNH report is divided into two main sections, the integrated transmission planning process and a transmission assessment. The initial section identifies transmission planning principles, transmission planning process and the transmission plan. The latter section describes the electric company system, the nature of its use, future reinforcements, wheeling service, environmental concerns, the impact of ISO New England and emerging issues. The second PSNH report presents load forecasts and also present transmission needs.

WMECO suggests that Administrative Bulletin 78-2 could be revised to require electric companies to analyze and report on the topics referred to in the above reports. Coordination with ISO New England may be necessary to ensure the Department is aware of all inter-state transmission issues.

Question 3. Under what circumstances should forecast information be supplied as part of a proposal to construct a transmission facility pursuant to G.L. c. 164, sec. 69J? Is a forecast necessary only when the need for a proposed facility depends primarily on projected load growth?

Answer: The Board should continue to review transmission facility proposals thoroughly as it has in the past. If a reason for the new transmission facility proposal is load growth, or load growth is otherwise a factor in the transmission facility proposal, the information should be

supplied by the applicant. In the event it is not supplied, the Board's staff can and should request such data.

Question 4. What should be the geographical extent of any forecast filed as part of a transmission facility proposal?

Answer: There is no need to specify any fixed geographical area that must be examined in a transmission facility proposal. The Board's staff is experienced in reviewing such transmission facility proposals and accompanying transmission forecasts. Staff will determine the geographical extent of the transmission system that must be reviewed based on the particular proposal.

Question 5. What information should be filed in such a forecast? To what level of detail would be Siting Board need to review the forecast in order to ensure that it is accurate enough to serve as proof of the need for the proposed facility?

Answer: A specific transmission facility proposal should be accompanied by whatever information is necessary for its support. If an updated transmission forecast is necessary, then that should be provided. There is no need to establish separate requirements for a transmission forecast or establish higher requirements for the Board's review of a transmission forecast. The Board has reviewed many transmission facility proposals over the last 20 years under G.L. c. 164, sec. 69J; rescinding 220 CMR 10.00 *et seq.* and exempting of electric companies from the requirements of G.L. c. 164, sec. 69I, does not warrant any change in the Board's procedures and practice. See also the Answer to Question 4.

Respectively submitted,
By Its Attorney

Stephen Klionsky
260 Franklin Street, 21st Floor
Boston, Massachusetts 02110
Tel. 617/345-4778
E-Mail klionsh@nu.com